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**Testimony in Support of House Bill 4160**

**House Natural Resources, Tourism and Outdoor Recreation Committee**

**Tuesday, February 1, 2011**

Good morning Chairman Foster and members of the committee. I am Dan Musser, the third generation of my family to own and operate Grand Hotel on Mackinac Island. I am here this morning to voice my support for House Bill 4160.

As you know, Grand Hotel and Mackinac Island in general are seasonal businesses. We are open from the first weekend in May through the end of October. We employ nearly 600 staff in our 385-room facility. In a good economy, our margins are thin and it is essential that we operate at or near capacity during the time period that we are open. Because our season is so compressed, the pressure to run at least 90% occupancy is essential for us to survive as a family owned business. I am here today as my father has been in the past and my great uncle before him and I can truthfully say this is the best state tourism campaign I have ever seen and it has helped us get through the past two seasons in a very tough economy.

Like many tourism destinations in our state, Grand Hotel and Mackinac Island have relied mainly on Michigan residents. In difficult economic times in Michigan, the Pure Michigan advertising campaign has allowed Grand Hotel to increase the number of out-of-state overnight vacationers by close to 10% over the last two years. We feel these are rooms that would have sat vacant without the ads. For the first time in our 124-year history, this past Fourth of July we had more out-of-state residents as guests than in-state residents. Visitors to the Grand Hotel website

coming from Michigan.org, the most highly visited state website in the country since the Pure Michigan campaign was developed, has nearly quadrupled in the past two years. The Mackinac Island Tourism Bureau website saw a 100% increase in traffic coming from the Michigan.org website. It went from 27<sup>th</sup> to 5<sup>th</sup> on the list of referral sites. With the help of the Pure Michigan campaign, Grand Hotel was able to experience a 6.5% increase in occupancy in 2010 to get to that 90% number that I have mentioned and revenue was up 4.1%. In speaking with my peers in northern Michigan, most saw similar increases.

The national Pure Michigan campaign allows Michigan tourism businesses to become partners in the state's marketing efforts. In 2010, 23 tourism destinations took advantage of the partnership program. Last year through these partnerships, our industry contributed 1.4 million marketing dollars to the Pure Michigan campaign. These partnerships allow Mackinac Island and tourism destinations the opportunity to reach markets they could not otherwise effectively reach on their own and with a quality campaign they could not come close to producing. Based on the success of past partnerships, and the strength of the Pure Michigan campaign, Mackinac Island has begun collecting a 2% assessment to begin promoting itself as a destination for the first time. We are in fact going to become the first national television partner with Travel Michigan and will be running national television ads in the spring of 2011. I am very excited about Mackinac Island promoting itself for the first time in my life and it would not be possible without the strength of the Pure Michigan campaign.

The passage of House Bill 4160 will allow for the continued development of the Pure Michigan brand. As successful as it has been, I believe as many people that have come to the state, there are so many more that have Michigan on their list to visit. Our potential is even greater than our success. But if the campaign is not fully funded, we have wasted the opportunity of the Pure Michigan brand to reach its potential. Potential that brings tax revenues into the state and supports and creates jobs for Michigan residents. Passage of this bill will allow us to keep the momentum going.

Thank you for the opportunity to be with you this morning. I would be happy to answer any questions you might have.